

Adi Abidin

The Asia Foundation

**1ST INDONESIA RAPID DECENTRALIZATION APPRAISAL (IRDA)
SYNOPSIS OF FINDINGS**

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1ST INDONESIA RAPID DECENTRALIZATION APPRAISAL (IRDA) SYNOPSIS OF FINDINGS

Executive Summary

Laws 22 and 25/1999 went into full effect in January 2001 and provided the framework for decentralizing authorities once held by central government and gave local governments new responsibilities to manage their own regions. The IRDA was developed by the Asia Foundation with support from the U.S. Agency for International Development (USAID). Implemented with local Indonesian partners, it is a participatory process that provides up-to-date information to a wide range of stakeholders, facilitating immediate action to push decentralization forward. Stakeholders are both data sources and data analysts. The IRDA complements the monitoring and evaluation activities that the Government of Indonesia is establishing. Indeed, it can contribute baseline data to the government system based on the 1st IRDA.

The findings from the 1st IRDA indicate that after one year, local governments in most regions surveyed are coping well with the additional responsibilities that have been thrust upon them, while others are not. Financial resources and executive leadership are the most important determinants of whether local governments are coping well under difficult circumstances and improving the overall quality of governance and public services that people demand.

Using a participatory synthesis process to analyze the data, the 1st IRDA revealed five general themes that describe the current status and directions of decentralization:

- There is an increasing awareness and appreciation of the importance of people's participation in local governance.
- Local government agencies are committed to improving service delivery and are feeling the pressure to do so from citizens.
- Local governments have coped with the immediate problem of integrating large numbers of staff by reorganizing and restructuring agencies and units, without downsizing.
- Though largely dependent on central government transfers, local governments are seeking ways to increase their own sources of income in the form of taxes and retributions. Citizens are also demanding more open dialogue and consultation about budget allocations.
- Local governments are cooperating and sharing information with one another and with provincial governments to solve a variety of shared problems.

The synthesis process also revealed five cross-cutting issues that are important in interpreting the 1st IRDA data and merit on-going attention in future IRDA cycles:

- Citizens in the regions generally understand the principles associated with the concept of autonomy, but their interpretations of the concept vary.
- Women's participation in the public decision-making process remains low and limited.
- There is a disconnection between the political system and regional autonomy.
- The asset transfer process is unclear.
- The policy on the general allocation grant/DAU process is unclear, and local understanding is limited.

There will be five IRDA appraisals through 2004. Thus, IRDA will provide continuing support to the Indonesian government and Indonesian citizens as they proceed to make decentralization a reality.

I. INTRODUCTION

The Indonesia Rapid Decentralization Appraisal (IRDA) is a monitoring activity developed by the Asia Foundation and funded by the USAID in support of the decentralization efforts in Indonesia. Patterned after and improving on the Rapid Field Appraisals of Decentralization conducted in the Philippines in the past 10 years, the IRDA program will track progress in the implementation of regional autonomy in Indonesia at regular intervals. There will be five appraisals through 2004.

IRDA aims to provide timely feedback on the progress of decentralization so that policy adjustments can be made to steer efforts towards the vision of regional autonomy provided for in Law 22/1999 and Law 25/1999. Designed to produce an assessment that is dispassionate and credible, IRDA is chiefly concerned with describing the actual experience of local governments in managing and carrying out new authorities and responsibilities. Thus, IRDA emphasizes the **local perspective** and highlights the **current directions** taken by the regions in coping with these new authorities and responsibilities.

The local perspective provides for describing the decentralization process as it happens in the regions. To this end, the IRDA process involves assembling a research team made up of experienced local research institutions and individuals that are familiar with the sites. (See annex for brief descriptions of local partners.) In addition, IRDA deliberately uses participatory techniques in generating data to ensure ownership and validity of the information gathered.

The current directions are the positive steps or innovations implemented by the local governments. The IRDA process provides for analyzing the initiatives in terms of the enabling factors that make it possible for them to take place, as well as the constraints that inhibit them from becoming more widespread. The next step is to formulate recommendations on sustaining the positive steps and addressing attendant problems. These recommendations are directed towards the various stakeholders from the government (both national and local), civil society, and the international donor groups supporting decentralization-related programs in Indonesia.

A. Methodology

IRDA employs the appraisal method in monitoring decentralization in Indonesia. IRDA belongs to a family of rapid appraisal methods, e.g. Rapid Rural Appraisal (RRA) and Participatory Rural Appraisal (PRA) that use a range of “informal” data collection techniques such as semi-structured interviews and secondary data analysis. While the general technique is qualitative, the information gathered and analyzed is a mix of both qualitative and quantitative data.

IRDA’s main data gathering tools are key informant interviews and focus group discussions. Using various tools and techniques allows for triangulation and validation of data from various sources. IRDA’s analysis and recommendation development process is participatory as well. Thus, by maximizing the use of participatory methods, the very IRDA process itself helps establish dialogue mechanisms among key actors at both national and local levels.

Stages in the IRDA Process

As illustrated in Figure 1, IRDA is a cyclical process with multiple stages.

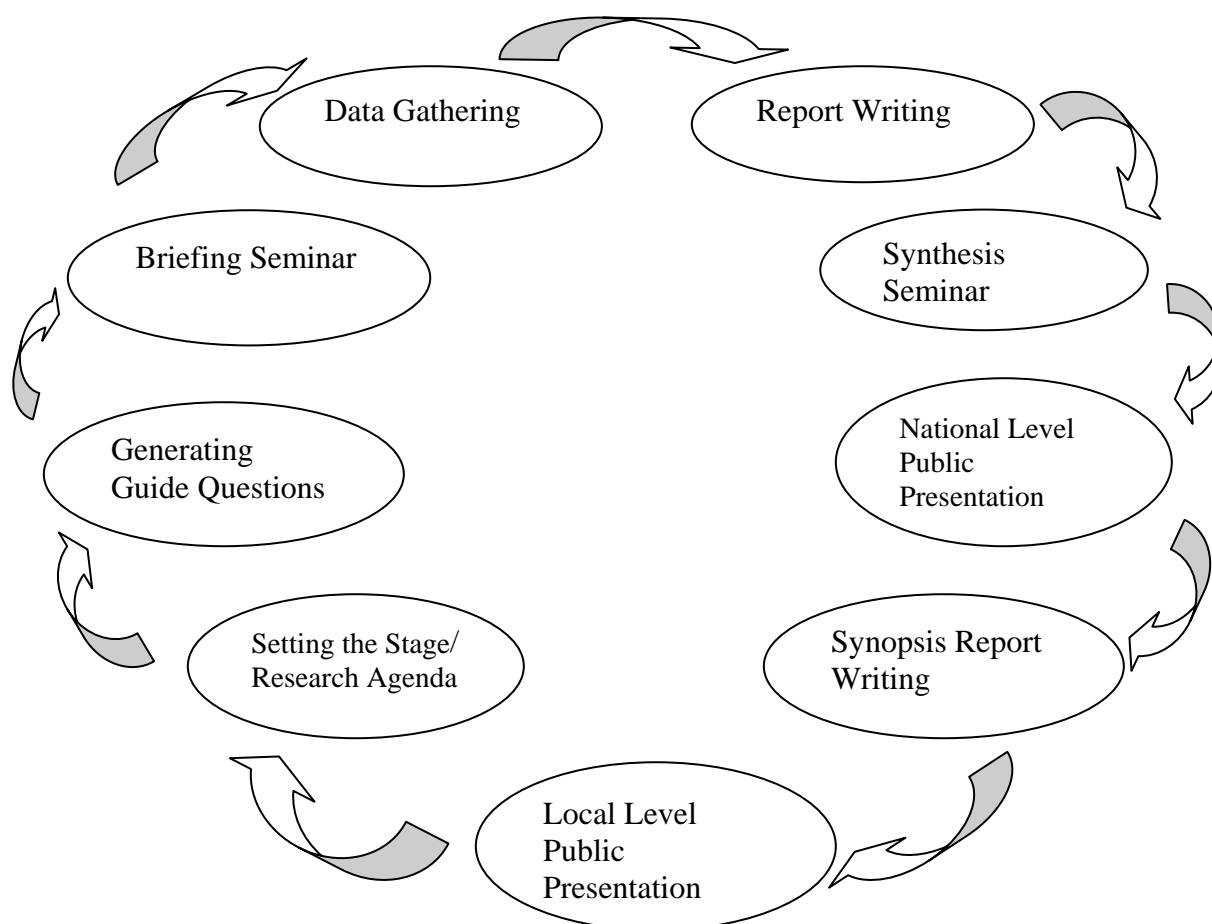


Fig. 1. Stages in The IRDA Process

Setting the Stage. This phase sets the agenda. It involves the participatory gathering of information about what issues the IRDA should address, rooted in stakeholder interest. Core issues that persist remain the same from year to year, enabling the IRDA to measure progress consistently. New issues may be added in subsequent cycles, based on stakeholder inputs.

Generating Guide Questions. A peer group or small group representing the government, civil society, and private sector, along with the Foundation and some other groups working on decentralization, filters the issues and themes to formulate interview and discussion questions.

Briefing Seminar. A briefing seminar for local research partners ensures that all institutions conducting the IRDA have a common understanding of the parameters for the appraisal, the research agenda, the guide questions, and the data gathering methods. As part of the Foundation's commitment to build local institutions, and eventually to transfer this technology

to them, local research partners are engaged for the data gathering process. The familiarity of local partners with the target area is critical because they understand the site-specific decentralization issues that should be pursued, in addition to the set of guide questions.

Data Gathering. The local research partners gather information by conducting a series of multi-stakeholder, participatory workshops and consultations using focus group discussions as the primary data gathering technique. Data gathered from these inter-locking dialogues are validated and enhanced through key informant interviews and analysis of secondary data such as the local budget and local regulations passed.

Report Writing. Each local partner prepares a comprehensive report of all data gathered. Secondary data that support the research findings are appended to the reports.

Synthesis Seminar. The objectives of the synthesis seminar are a collective analysis of data gathered and the development of consensus based on empirical observations gathered by the partners.

National Level Presentation. The findings are then presented in a national level forum, which brings the local perspective to national attention for discussion.

Synopsis Report Writing. The synopsis report integrates all inputs gathered throughout the process.

Local Level Public Presentation. This stage completes the cycle by bringing back information and analysis to local governments. This is also the stage at which inputs for possible new themes for the next round are gathered.

B. The Sites



The 1st IRDA serves as a baseline for the subsequent appraisals and was conducted in 13 sites in Indonesia (see map). These sites roughly represent the various characteristics of the regions

according to the Human Development Index (HDI), Gross Regional Domestic Product (GRDP), and resources (agricultural, manufacturing, oil and gas, etc.). More sites will be added in subsequent rounds.

C. The Respondents

Respondents for the 1st IRDA represented a wide range of stakeholders in the regions. They are the regional executives (governors, mayors, vice-mayors, regional secretaries and assistants, heads of local departments and agencies, chiefs of village), members of the Local House of Representatives, and members of society. The members of society include religious leaders, citizens of the local communities, and representatives of non-governmental organizations, business, and academia. Gathering information from a mix of knowledgeable individuals in the field allowed for triangulation and immediate validation of the data in painting a snapshot of how decentralization is happening at the local level.

PROFILE OF RESPONDENTS	
TOTAL RESPONDENTS	1,199
Male	87%
Female	13%
Desa/Kelurahan	22%
Kota/Kabupaten	28%
Propinsi	12%
Total Government	62%
Civil Society Groups	38%
No. of Focus Group Discussions	55

Although the process allows local research partners the freedom to identify the respondents, their selections were guided by attention to the following criteria:

1. the respondents' knowledge and understanding of autonomy;
2. the respondents' experience in the implementation of regional autonomy;
3. the respondents' objectivity in providing correct and reliable information about autonomy; and
4. the respondents' willingness to provide information and other data whenever possible.

D. Framework of the 1st IRDA

The central question in the 1st IRDA is: **“After one year of implementation, how is the overall progress of decentralization happening?”** To explore this question, the IRDA focused on a set of themes generated through prior consultation with stakeholders in and outside of Jakarta. These stakeholders represented various sectors such as the government, civil society groups, and academic and donor groups that are involved in decentralization efforts.

The topics covered represent a wide range of concerns that are expected to take new shapes in a decentralized set-up. These topics serve as baseline variables, and subsequent IRDAs will continue to track decentralization efforts in these areas. The topics are as follows:

- Accountability, Transparency, and Civil Society Participation;
- Service Delivery;
- Reorganization, Devolution, and Capability Building;
- Fiscal Matters;
- Inter-governmental Relations; and
- Concept of Autonomy and Other Cross-cutting Issues.

Figure 2 illustrates the framework of the 1st IRDA.

IN ITS FIRST YEAR OF IMPLEMENTATION. . . .

HOW IS THE OVERALL PROGRESS OF DECENTRALIZATION HAPPENING?

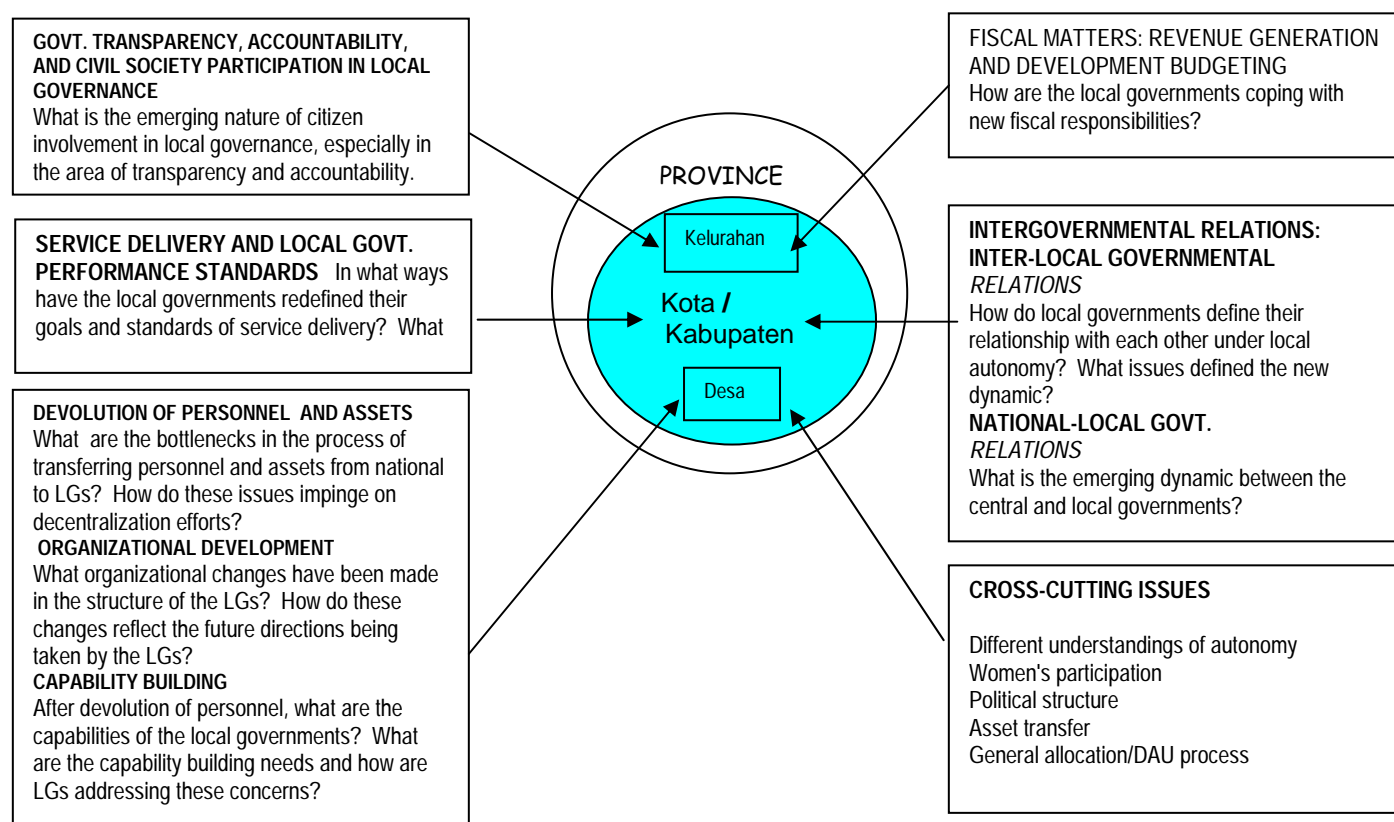


Figure 2. Ist IRDA Framework

This framework is a visualization of the topics or issues that stakeholders considered important in understanding the progress of decentralization in Indonesia. The unit of analysis is the *kota* or *kabupaten* where most of the authorities and responsibilities were devolved. Describing the dynamics at the *kota* or *kabupaten* levels of government necessarily includes describing the relationship with other levels of local government, such as the province and the *desa* or *kelurahan* levels, since the *kota/kabupaten* levels are necessarily working within this context.

II. GENERAL THEMES OF THE 1ST IRDA

At a synthesis seminar to review and analyze the field data, principal researchers arrived at a consensus on five general statements or themes that describe the current status and directions of decentralization. These themes are as follows:

- A. There is an increasing awareness and appreciation of the importance of people's participation in local governance.
- B. Local government agencies are committed to improving service delivery and are feeling the pressure to do so from citizens
- C. Local governments have coped with the immediate problem of integrating large numbers of staff by reorganizing and restructuring agencies and units, without downsizing.
- D. Though largely dependent on central government transfers, local governments are seeking ways to increase their own sources of income in the form of taxes and retributions. Citizens are also demanding more open dialogue and consultation about budget allocations.
- E. Local governments are cooperating and sharing information with one another and with provincial governments to solve a variety of shared problems.

The synthesis seminar also resulted in consensus on five cross-cutting issues that are relevant in interpreting the 1st IRDA data. In addition, they are relevant in establishing the agenda for the next IRDA because they affect both the decentralization process itself and the public perceptions of its progress. The cross-cutting issues, discussed in Section III, are as follows:

- Citizens in the regions generally understand the principles associated with the concept of autonomy, but their interpretations of the concept vary.
- Women's participation in the public decision-making process remains low and limited.
- There is a disconnection between the political system and regional autonomy.
- The asset transfer process is unclear.
- The policy on the general allocation grant/DAU process is unclear, and local understanding is limited.

The remainder of this section discusses the five themes. For each theme, it provides findings that highlight the positive steps taken by the regions. It also identifies the enabling factors that support these steps as well as constraints that inhibit more widespread progress. In addition, it provides recommendations for fostering the growth of the positive directions.

A. There is an increasing awareness and appreciation of the importance of people's participation in local governance.

1. Findings

- **People's participation in developing transparency and public accountability is increasing.** One of the most positive trends brought about by regional autonomy is a greater awareness among people that they should be part of governance. Although Law 22 has no specific provision on people's participation in governance, civil society groups have taken the initiative to try and participate in areas such as drawing up development and strategic plans for the regions. People have become more active in demanding better performance from the local government as well as more accountability and transparency at the local level. The current decentralization framework is viewed as providing a wider opportunity for civil societies to participate in the decision-making process.

- **Local government's appreciation of people's participation is increasing.** In response to citizens' demands for more transparency and accountability from local government, there is a growing appreciation among local governments of the importance of citizen participation. Although still in the early stages of implementation, local governments have created venues for citizen involvement, such as conducting public hearings before and after local regulations are passed. In Indramayu, for instance, the *DPRD* invited about 30 non-government organizations (NGOs) to comment on a local regulation. Unfortunately, only 3 NGOs responded.
- **People's fora are emerging.** The emergence of citizens' fora in some sites is a clear indication that local governments appreciate and value the participation of civil society in governance. At every level of government, from the *desa* to the *kabupaten/kota* to the province, people's fora have increased significantly and have become a critical venue for citizens to air their grievances, settle disputes, monitor the activities of the local government, and demand better services. Good examples are *FM2S* in Majalaya, Bandung and the City Forum in Semarang.

✓ Good Practice

In Bandung, the *bupati* and technical staff have held weekly public dialogues with constituents at the sub-district level for the past year. The dialogues give the public an opportunity to provide feedback on local government performance related to service delivery and social, political, economic and environmental problems. These fora have favorably impacted people's image of local government and their perceptions of government accountability and transparency.

2. Enabling Factors

- **Innovation.** The very system of decentralized government and regional autonomy has provided the enabling environment for citizens' participation in governance to flourish. Though not yet widespread, there are local government officials who are very open to citizen participation. They have created venues for participation and have motivated their constituents to get involved. For example, the mayor of Semarang initiated a regular "morning walk" and official visits in the sub-districts so that he can directly find out the needs of his constituents. Further, new local rules and regulations have opened up opportunities for people to express themselves. Pontianak is currently drafting a local regulation on Society Empowerment Institution (*Lembaga Pemberdayaan Masyarakat*) in order to formalize venues for citizen involvement.
- **Changes in the political environment.** In some regions, the local political environment has changed, becoming more "customer- and people-oriented" because of an emerging "mind-shift" among local officials. As a result, citizens are more active in demanding better services and improved welfare.
- **Local media participation.** The local media play a significant role in increasing the awareness of the citizens about their right to participate in governance. Local media have also helped in the dissemination of information from the local government to the citizens.
- **Civil society organization participation.** The presence of civil society organizations (CSOs) is a significant factor in enabling citizens to participate in various aspects of governance at the local level. In some sites, it is these local organizations that have sponsored and pushed for dialogues with the local governments so that local regulations and development programs better reflect the aspirations of the community.

3. Constraints

- **Uneven pace of change.** While Law 22/1999 has provided the legal framework for a paradigm shift of power from central government to local government, the mind-shift is still limited. Some national and local government officials have totally embraced the concept of decentralization, but there are still many who refuse to change and continue to resist change. Thus, there are still local leaders who think that governance is the role of government alone.
- **Tension between local government and CSOs.** A feeling of mutual suspicion persists between local governments and CSOs. Local governments view CSOs as a nuisance in an otherwise smooth flow of government activities because CSOs most often oppose whatever the government does. Meanwhile, some CSOs would rather work directly with the communities than with the government because they think that the government is too corrupt.

4. Recommendations

- Electoral reform, providing for direct election of local leaders, would enhance accountability and citizen participation. This is especially significant since demand for transparency and accountability is increasing at the local level as a result of increasing awareness among citizens that they have a right to be part of the decision-making process.
- Technical assistance would enhance the capacity of the *DPRD* to exercise its role as a body of chosen representatives of the people. One starting point could be training in drafting laws and how this process can involve citizens. Many respondents complain that once elected, the members of the local legislative bodies represent their own interest rather than the people's interests.
- Central government, with donor support, should facilitate assistance to local governments for institutionalized participatory development processes that put emphasis on people-oriented leadership and customer-oriented public service. CSOs that help foster a healthy environment for citizen participation through fora and dialogues should also receive assistance. It is critical to sustain these efforts where already initiated.

B. Local government agencies are committed to improving service delivery and are feeling the pressure to do so from citizens.

1. Findings

- **There are gains in service quality and quantity, but not everywhere.** Since public service delivery is now directly in the hands of local governments, citizens have found it easier to express concerns about the quality of services and to demand more. However, the quantity and quality of service delivery continues to be uneven across regions and sectors, with improvements in some areas and deterioration in others. Generally, however, local governments have managed to maintain the level of service that the central government used to provide.
- **For public services within the authority of the regions, the infrastructure is simpler and more efficient.** After the implementation of regional autonomy, some local governments have created a simpler bureaucracy for their public services. In some study sites, this has resulted in a shorter string of desks and offices, rationalized work hours, and greater transparency. Simplification is especially apparent in the case of licensing services, which have become much easier and more efficient. In all study areas, licensing services are now conducted under one roof. The national government also encourages the district and city level government to establish One Stop Service

Units for this purpose. In addition, a priority on rational “division of labor” has resulted in wider delegation of administrative responsibility and authority. One example of this trend is the recognition of *kelurahan* (village) as an important player in providing public services, even taking the spearhead role in sectors such as health service, and with the village repositioning itself related to the service delivery function.

✓ Good Practice

District government of Gianyar launched MATRA's Health Program that provides health services at the Community Health Centers and hospitals. The program also provides free-of-charge ambulance as part of the public service.

- **There are improvements in certain public services.** Local governments are starting to pay more attention to public services. The desire to improve service delivery encourages positive competition among different service delivery units. As a result, some services provided by local government have improved. Public services for which local government pays are mostly related to health, public administration, and security. In Bantul, some respondents noted the improvement in health care delivery particularly after Bantul put up a Medical Center. Previously, citizens preferred to go for a medical check-up outside of Bantul. Now, with improved services and a fee of only Rp 1,500 for a check-up, the constituents are happy to go to their own center. Also, although not well advertised, Bantul has a center for old people and a health information center. In Sidoarjo, a survey conducted by PUPUK, and NGO, revealed that 82% of the respondents are satisfied with public service delivery.

- **Access to information is improving.** Since the implementation of the regional autonomy law, some information on public services, previously unavailable, is now accessible to the public. For instance, there is clearer information about fees and the schedule of government services, like the processing of ID cards and business licenses. This is a significant step towards greater transparency by public service providers. Thus, decentralization has created more barriers to acts of corruption and retribution on the part of local government officials and other personnel, especially in cases where fees for particular services are transparent. However, corruption, collusion, and nepotism at the local level remain.

✓ Good Practice

West Lombok Local Government has developed a priority list of public services development for health, education, and economic issues. These priorities were set to increase the Human Development Index, and to develop public service standards such as Prime Services and One Stop service center untuk perijinan.

- **The sense of public control of services is increasing.** Decentralization has generated a significant increase in the interaction between the people and the local government, resulting in closer relations. It has also increased the public's demands for the improvement of local government services. As the society becomes more critical, it can directly evaluate the quality of services provided. This process then opens opportunities for the public to provide feedback on the performance of the bureaucracy that is responsible for providing those services. In some areas, the local legislative and *bupatis* are more open to people's concern over public services and are becoming more responsive to people's demands for better services. However, response to citizen complaints is not yet widespread. A case in point is Deli Serdang where a local association, affiliated with the North Sumatra Poultry Association, sent a letter of complaint to the local government and the *DPRD* regarding poultry fees. While there was no response from the government, this initiative demonstrates that citizens are seeking ways to influence local regulations.
- **There is an emerging awareness of the importance of public service standards.** One indication of the growing recognition of the value of minimum service standards for local

governments is the action of the Ministry of Efficient Use State Apparatus in establishing a flexible tool that serves as standard of services. Another is a governor's advice that each unit in the local government establish a standard of services for each service delivered. Such advice was translated into a regulation requiring a minimum of six working hours a day for public office staffs.

2. Enabling Factors

- **Delegation of authority to the regions.** The process of delegation of authority gives local governments the power to conduct restructuring of certain service sectors and to stimulate greater awareness of the needs for and benefits of effective and efficient services.
- **Increasing receptivity and openness of local governments.** Local government acceptance of criticism and complaints is on the rise. This results in more responsiveness to demands for accelerating change and increasing access to information on services. Such transparency will enable the local government to reduce invisible costs. However, research and advocacy work are still needed, especially to look at power symbols attached to local elites and local government officials, such as uniforms and their chevrons.

✓ Good Practice

A *perda* was passed in Pontianak in April 2001 to improve the quality of public services. Considering local potential, community needs, and work efficiency, the local government established a benchmark of 5.6 (out of 8 working) hours as minimum amount of time that should be devoted to service delivery. The remaining time is for administrative matters. Units that fail to meet this standard will be evaluated and face the possibility of being merged with other units.

3. Constraints

- **System barriers.** The lack of public service standards makes it very difficult for local governments to define quality services and determine whether they are providing them. This is further aggravated by the bad work ethic of some employees and the fact that there is little funding in the local government budget for public services.
- **Tension between revenue objectives and service objectives.** Many local governments focus on increasing their income rather than improving public services. This is exacerbated when public officials engage in corruption that channels resources away from public service. Continuing tension between revenue and service objectives will prevent the sustainability of improvements in public services.

4. Recommendations

- In the absence of public service standards from the central government, local governments need to establish their own regulations on these standards as soon as possible. At the same time, central government needs to start developing national minimum public service standards that local governments can use as a benchmark. With inputs from donor groups and civil society, these standards for local government performance could be used to develop criteria for identifying best practices.
- Priority should be given to institutionalizing mechanisms for citizen feedback about local government performance and services, and for disseminating information about good practices that can be replicated.
- A public service auditing system, for both central and local government, will facilitate service improvement. This is because the quality of public services is necessarily linked to the

accountability of local governments in delivering such services. An accountability mechanism will open possibilities for feedback, both positive and negative, on public services. This in turn will stimulate public participation in decentralization.

C. Local governments have coped with the immediate problem of integrating large numbers of staff by reorganizing and restructuring agencies and units, without downsizing.

1. Findings

- **Local governments have taken steps have been taken to simplify the organizational structure.** Reorganization reflects the new authorities of regional governments. Specifically at the *kabupaten* level, reorganization has meant the simplification of working units. It has taken the form of merging local offices in related fields and clarifying the roles of some offices. As a result, in some cases the number of local offices decreased from 36 to 16, or the fifth echelon was eliminated or its levels changed. The establishment of local offices (*dinas*) reflects efforts to rationalize the organizational structure. These changes demonstrate that local governments have begun to take responsibility for implementing the idea of “simple in structure but rich in function” with the aim of improving efficiency and avoiding functional duplication and overlap. All of these are steps toward increasing organizational flexibility and clarity regarding the authority of local offices. The table below illustrates the change in local bureaucracy size after devolution.

✓ Good Practice

In Sidoarjo, the local government bureaucracy expanded from 2,729 to 13,663 personnel. It reorganized its local structure from 25 *dinas* (bureaus) to 21 and the number of sub-*dinas* was reduced from 24 to 9. One of the specific innovations is the enactment of a *perda*, which put together all the licensing functions into one *dinas*. Staff no longer wear *pemda*-style uniforms in order to project an image of

Kota/ Kabupaten	No. of Departments	
	Before Devolution	After Devolution
Bantul	14	11
Salatiga	33	24
Indramayu	36	16
Sidoarjo	25	21

- **Local governments are developing new structures.** Even though structures are simplified, some new offices are being created as deemed necessary. This could involve dividing certain local offices (i.e. Education and Cultural Office) into two separate offices, or establishing the election committee (Rural Representative Board) at

the village level. In Minahasa, for instance, two new agencies were created. These are the Capital Investment Agency (*Badan Penanaman Modal*) and the Electronic Data Processing Office (*Kantor Pengolahan Data Elektronik*). Moreover, with the delegation of several authorities from the municipal government to the village level, there was expansion of *kecamatan* at villages, or division of *kecamatans* within town areas. The objective was better administration. These newfound authorities have incorporated the use of village nomenclature according to original traditions such as the change from “*kelurahan*” to “*kampung*” in some cases, or the establishment of a local regulation concerning *LPM* as a replacement of *LKMD* (Defense Institution of Village Society). These changes are done through legislation. Generally, restructuring and the growing consciousness about distinguishing the boundaries and functions of one office from another resulted in a “differentiation” in the people’s understanding that the local parliament has responsibilities that are different from those of the executive branch of the local government.

- **There are emerging problems on staffing in the local governments.** For personnel devolved from the national to the local level, career prospects in the local bureaucracy are a major concern. They are anxious about their promotion opportunities because of the promotion of *putera daerah* into such structural positions, or the appointments to positions in *dinas* that are said to favor former local government personnel. Large numbers of devolved employees remain to be assigned to local positions. There may be many reasons for this phenomenon, real or imagined. However, the reality is that personnel were devolved from the national agencies without the local governments having the option to choose appropriate personnel, and the result is overflow of personnel in the local bureaucracy beyond what is needed. There is no clarity in the transition from the old system to the new decentralized nature of governance. Further, the block-grant transfer of funds has complicated the transfer of personnel from one regional government to another.
- **Reorganization is linked to efforts to improve the quality of local government performance.** Despite the difficulties, local governments try to cope with the situation. Setting up an integrated working group to review the region's readiness for implementing decentralization indicates local government's awareness of the need to respond to the demands of decentralization. Similar to the examples already cited, quality improvement efforts also include the merger of administrative/ licensing units, or the establishment of a unit specifically tasked to improve the quality of services. Rationalizing the roles of *dinas* and *sub-dinas* and setting *dinas* performance standards (e.g. allocating at least 5.6 hours daily to service delivery) are other indications of the desire to improve performance.
- **Local governments are moving to develop and improve human resource capacity.** These governments realize that one element essential to performance improvement is to increase the capability of personnel and officials in both the executive and legislative branches. Despite current resource limitations, they desire to create a culture of civil service that is not bureaucratic, but customer- and service-oriented. Some have sent personnel to schools to pursue undergraduate and graduate studies. They have set "requirements" that the head of *dinas* should have completed a civil service leadership training, or that the selection of the head of *dinas* be done through a *fit and proper test*, or that the appointment of personnel should be based on merit. Some observed the need to equip local legislators with the skills to make full use of legislation as a tool for improving government performance and service delivery.

2. Enabling Factors

- **Public demand.** The growing people's demand for high-quality work performance is pushing local governments to take their role seriously.
- **Facilitative regulations.** Government Regulation 84/2000 provides for local governments to design and implement organizational changes that suit their needs and functions.
- **Commitment to capacity building.** Financial constraints increase the need for greater efficiency. Within the context of limited financial resources, local governments have started to exercise their discretion in developing their human resources. They are also participating in capacity building projects with support from partnerships and donor agencies.

3. Constraints

- **Challenges to attracting and maintaining qualified personnel.** One of the major stumbling blocks to local government reorganization is the insufficient number of qualified personnel, despite the influx of devolved personnel. One result is that some civil servants lose their structural

positions or do not get appointed to new positions. This is not to say, however, that the career system is always entirely based on competency, given the absence of standards for evaluating the performance of the organization or its staff. Moreover, the incentive system remains unsatisfactory to many. People perceive that the reorganization is influenced by local political and business interests. There is less priority on improving the personnel cadre than on politicking. The *DPRD* is deemed to lack transparency in its formulation of local regulations, and KKN continues to exist.

- **National regulations.** Some of these pose a problem to local governments. Keppres 10/2001 is an example. It provides for the return of land authority (as provided in Law 22) from local governments to the national government. This is an issue not just in terms of reorganization but also in terms of other aspects of local management as well. In fact, in some of the sites, Local Land Agency offices have already been created, only to be dissolved later.

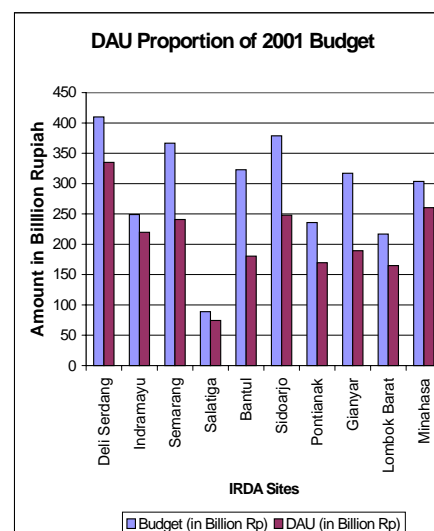
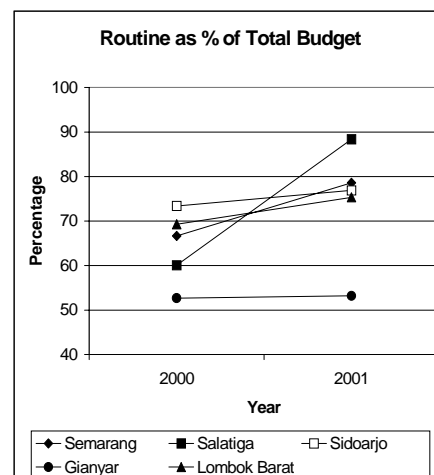
4. Recommendations

- Local governments need standards or criteria by which they can measure their performance. These go beyond minimum service standards. Local governments need performance indicators to objectively assess their performance, not just in service delivery, but also in all aspects of their operations.
- The performance standards must have civil society support. This will ensure that public feedback is objectively anchored and accurately assesses local government performance.
- Future reorganizations would benefit from specific strategies to involve civil society groups in improving the performance of the reorganized local bureaucracy in a more institutionalized fashion. For instance, a clear set of rules must be established to allow for (1) socialization of local budgetary laws and regulations, (2) public involvement in legislative process, (3) making *RAPBD* (drafts of local budget) and other local financial documents more easily accessible to the public, and (4) broadening partnership among stakeholders and other localities.
- An independent ombudsman would help achieve transparency, accountability, and thus improved performance of the local government.
- Policies that run counter to local autonomy like Keppres 10/2001 should be abolished. They have implications within and beyond reorganization issues.
- Better mechanisms are needed to ensure that hiring is based on merit and competence and to provide more transparency and objectivity in the hiring process for the local bureaucracy. The *fit and proper* test repeatedly cited as a tool to recruit heads of *dinas* illustrates this need.

- D. Though largely dependent on central government transfers, local governments are seeking ways to increase their own sources of income in the form of taxes and retributions. Citizens are also demanding more open dialogue and consultation about budget allocations.**

1. Findings

- **The role of local legislators in budgeting is increasing.** Local legislators are more flexible in setting priorities for development when they give inputs into development plans. Legislative control of local government expenses is emerging. Mechanisms for legislative finance management are stricter.
- **Local governments use caution in budgeting.** Standards have been formed for the use and allocation of local funds. Local governments are beginning to formulate more balanced budgets. Budgeting is more careful and stricter, especially for routine and development allocations. Financial planning involves the use of budgeting forms, which help rationalize the budget.
- **Local governments have autonomy in finance management.** Local governments and regions have more freedom in fund management. Development planning is suited to the local needs. There is increasing use of contingency tax (Local Own Revenue) for direct development.
- **There are a variety of opportunities for increasing local government income.** Aside from the fund transfers local governments receive as contributions from State Owned Enterprises which operate in their areas, they are identifying new opportunities for revenue generation. Recognizing their flexibility to cooperate with private sectors, they have started to invite investors to develop the regions. They have also formulated new local regulations on taxes and retributions in their attempt to generate revenues.
- **Autonomy motivates people's participation and the emergence of transparency in local finance management.** Local finance is one area in which citizens are interested to be involved. There have been demands for public consultation in the formulation of the local budget draft (*RAPBN*). There are efforts to meet these demands. In some cases, local governments opened public debates on local budget allocation. Governments have also invited CSOs to help draft the local budget. The press plays a role in reporting on the use of local funds, and this encourages more transparency.



2. Enabling Factors

- **Laws and regulations.** Laws 22/25 provided for the authority of local governments to manage their own finances. Also included are provisions for the separation of legislative and executive

functions, which steered the *DPRD* to get more involved in setting the regional laws on budget as well as in establishing priorities in development plans. Moreover, the requirement that the executive prepare an Accountability Report creates expectations in all sectors that certain needs will have to be met in the budget planning. This also encouraged efforts towards efficiency in the executive expenses budget as well as more transparent executive responses to public demands.

- **Greater public demand and involvement.** This reinforces the enabling laws and regulations. One measure of the people's demands for transparency and accountability is the emergence of a number of people's fora (from the society and business sector) and the development of information sources (e.g. public hearings and web sites). Research institutions are playing a facilitative role in formulating strategic plans (*Renstra*). Civil society's involvement in this whole process is growing.

3. Constraints

- **Lack of clarity on the law.** Like the initial confusion about related laws and regulations on regional autonomy, there is limited understanding of Law 34. The budget management system still follows the old laws and does not yet accommodate the spirit of Laws 22 and 25. While the law provides the framework for fiscal autonomy, local governments are constrained by possible conflicts between local and national regulations that may result from the incompleteness of supporting regulations.
- **Insufficient budgeting capacity.** Many of the legislators neither understand nor are skilled in the budgeting procedures. The form of the local budget is complex.
- **Persistent secrecy around the budget.** The general perception remains that the local budget is a secret document and that citizens do not have access to financial information. Civil society groups are not adequately represented in local fiscal management, and there is limited socialization of local legislators related to revenue generation and budgeting.

4. Recommendations

- National government agencies must supply supporting regulations. This will facilitate the revision of local legislation, which is deemed inconsistent with the decentralization law.
- Greater understanding of the budget process is needed to identify more clearly the stages where specific groups and individuals (the local *BAPPENAS*, the *bupati/walikota*, local budget office, the *DPRD*, the civil society groups, etc.) will be involved. The budgeting skills of the local government officials in both the executive and legislative branches need upgrading to cope with the new responsibilities.
- Citizens' groups will have to begin pressuring to institutionalize mechanisms for people's participation such as people's fora. This will promote public involvement in the formulation of local fiscal policy and other issues. Public involvement is critical to sustain the emergence of transparency and accountability in local fiscal management. Participation mechanisms will require changes on the part of both civil society and local government.
- Local government needs to determine how to incorporate mechanisms for people's participation in the budget process. One aspect is creating a conducive environment for the growth of people's fora. Another is to set up a local finance information system for public access and use. This will increase transparency.

E. Local governments are cooperating and sharing information with one another and with provincial governments to solve a variety of shared problems.

1. Findings

- **Initiatives are emerging for coordination between local governments in handling common issues.** Common interests in improving public service delivery, increasing revenue, and resolving problems and conflicts arising from decentralization have motivated local governments to help each other. Local governments are being proactive in forming associations in contiguous areas to share information and approaches to common problems and advocate for policy reform.
- **There is a positive, constructive sense of independence from central government.** This is a trend that should not be misconstrued to mean that decentralization has sparked separatist tendencies. Rather, local governments interpret regional autonomy as in fact strengthening and intensifying the relationship between central and local governments. The independence of local governments to manage their own state of affairs has put them in a position where they act with prudence and regard the central government as a facilitator to enable them to deliver what central government used to provide.

✓ GOOD PRACTICE

The *Bupati* of Indramayu established an association of local government officials from *kabupaten* that are rich in oil and gas resources. This association provides a forum for these *kabupaten* to negotiate with the central government over the amount of resources from oil and gas that is returned to the local government. The association has lobbied the central government to be more transparent in how it allocates the DAU to the district level.

2. Enabling Factors

- **Perceived benefits of collaboration.** Recognizing common interests in providing public services and addressing problems has encouraged local governments to work together within the framework of decentralization. The victories they win in the process will be a testimony to the value and effectiveness of sharing resources and skills in addressing common concerns. The broader local government associations are another factor that have promoted partnership and cooperation between and among local governments. Through these associations, local governments are able to share their experiences and have used their power as a group to levy resources from the central government.
- **Donor and international support.** Programs of donor groups and international organizations have promoted and strengthened the association of local governments. Some of these programs have facilitated better relationships between and among governments especially in cases where potential conflicts may arise, such as in the area of environmental management and protection.

3. Constraints

- **Potential imbalances within associations.** While the existence of local government associations is an enabling factor towards strengthening inter-governmental relations, much work is yet to be done with these associations. In some instances, local governments feel that the associations are less than helpful because they do not promote the interests of all the members, but only those of a few powerful and rich regions.

- **Insufficient capability to identify and manage conflicts.** This becomes an issue in resolving problems among local governments. Such problems may involve settling boundary disputes and sharing revenue from income-generating resources that fall within the jurisdiction of two regions.
- **Unclear roles and responsibilities between levels of government.** Authorities have been devolved to the *kota/kabupaten* while the province, still regarded as the representative of the central government, plays a coordinative role. This sometimes becomes a source of conflict, especially in areas where the provincial government is not progressive and proactive enough to assert its role in coordinating the regions.

4. Recommendations

- Consistent with existing decentralization laws, the central government should provide a clearer and more complete regulatory framework that will define the local government relationships through dialogue with national and local governments.
- Local governments, with the assistance of central government and international donor agencies, should institutionalize more systematic methods for local government cooperation and coordination to address common concerns.
- To maximize their potential in fostering productive inter-governmental relationships, there is a need to further improve the capacity of local government associations to represent the interests of their members.

III. CROSS-CUTTING ISSUES

The stakeholder discussion and analysis revealed five cross-cutting issues. These are important, fundamental factors to consider in determining how soon decentralization or autonomy will succeed in achieving the desired results. The cross-cutting issues are as follows:

- A. Citizens in the regions generally understand the principles associated with the concept of autonomy, but their interpretations of the concept vary.
- B. Women's participation in the public decision-making process remains low and limited.
- C. There is a disconnection between the political system and regional autonomy.
- D. The asset transfer process is unclear.
- E. The policy on the general allocation grant/DAU process is unclear, and local understanding is limited.

The remainder of this section explores these issues and contains recommendations to reduce their potential to interfere with the successful decentralization process.

A. Citizens in the regions generally understand the principles associated with the concept of autonomy, but their interpretations of the concept vary.

This report uses “decentralization” and “regional autonomy” interchangeably. On the ground, it is the term “regional autonomy” (or *Otonomi Daerah*) that has gained prominence. Participatory appraisal by its very nature records people's opinions as well as objective facts, and opinions are influenced by people's understanding of the concept. The 1st IRDA shows that there are different understandings both among and between levels of government as to what regional autonomy really means. This may be a consequence of the perceived vagueness in the law that can be clarified through supporting regulations. These differences are interesting in their own right. They are also

important in terms of their potential to color or influence responses on the five themes described in Section II, and thus important in interpreting the finding on those themes. It will be important in subsequent IRDAs to track understandings to see if and where consensus develops.

The examples in the following boxes illustrate how citizens have thus far comprehended the idea of regional autonomy. The objective is not make judgments on the correctness of these conceptions, but to present the range of ideas and aspirations articulated.

Recommendations

- There is a need for more intensive dialogue between the government and the people to clarify the concept of regional autonomy. Continued discourse to define the concept will help achieve consensus, manifested in clear supporting regulations. Creating a democratic climate will encourage the emergence of people's fora as a mechanism for the dialogue.

Understandings at the Village (Kelurahan/Desa) Level

- Regional autonomy means devolution of authorities from the city government to the *kelurahan*/villages. *Kelurahan/desa*s become autonomous units and have the authority to self manage. They can do their own development planning and implementation based on the *desa*'s needs, with funding help from the government. Regional autonomy should also mean autonomy for the *desa*. This would mean in turn that people have the authority to manage *desa*. Some people even consider regional autonomy as identical with *desa*'s autonomy.
- Regional autonomy encourages greater citizen participation in the *desa*'s development. The citizens can now determine policies because regional autonomy provides an arena for constructive dialogue between the head of the *desa* (*lurah*) and its people. The establishment of the Rural Representative Board (*BPD*), for instance, and the democratic election of its head and members also indicate people's increasing participation.
- The *desa*'s authority in autonomy is not clear yet. People do not understand the regional autonomy concept and what it means in practice. Therefore, there is a need to establish local governmental regulations to clarify the authority of the *desa*.
- Regional autonomy means the transfer of the "burden" to the society as indicated by the increasing number of taxes and retributions.

Understandings at the Regency/Municipality Level

- Regional autonomy is understood as the transfer/devolution of authorities from the central government to the regions. Compared to Law 5/1974, Law 22/1999 puts the local governments in a better position since they now have the authority to manage their own territories, implement bottom-up planning, and exercise freedom in the use of budget, but still guaranteeing the existence of the Republic of Indonesia. Regional autonomy becomes more meaningful when local governments also make use of inter-regional networking.
- Among the positive results of regional autonomy is the increase in local independence, which gives local governments the freedom to benefit from local potential and resources. Local governments also have authority in planning, implementing, and financing their own development, as well as authority to manage their own agencies/institutes in order to improve the welfare of the people based on their own local capacities.
- Regional autonomy has given birth to the repositioning of the local legislative bodies, which provides wider space for *DPRD* in the control process. Further, a more co-equal relationship between the legislative and executive bodies of the local government is expected.
- Regional autonomy is about increasing people's welfare by providing better public service delivery. For this reason, regional autonomy demands that the local bureaucracy be made up of employees who are professional and empowered.
- Regional autonomy means empowerment of the people. Through regional autonomy, efforts to bring the government closer to the community are taking place. Therefore, regional autonomy casts the local governments (especially the executives) as facilitators for the citizens/civil society. To meet this expectation, there needs to be an adjustment in the local government's function.
- Regional autonomy is a product of ex-president Habibie's project to rush and complete all the laws by a certain time. As a result, there are unclear concepts and inconsistencies in the legal instruments concerning regional autonomy. The concept of regional autonomy cannot be wholly implemented because the central government has not yet prepared supporting government regulations (*PP*) and because the definition itself has not been finished. The incomplete definition and derivative *PP* have created a "tug of war" of authorities between the local governments and the local parliaments.
- In the implementation, central government is considered half-hearted in giving autonomy to the regions. It is as if central government is letting go of the head, while still clutching the tail. Central government is perceived as transferring authorities for its own benefit, which is to reduce its burden. Regional autonomy means new burdens on local governments with limited fiscal authority. Law No. 22/1999 should remain as is, but *PP* No. 25/2000 needs to be revised.

- Increasing the media's role in reporting on progress as well as on the dialogue could accelerate the consensus process.
- Dissemination of successful initiatives and other stakeholder practices would help clarify what regional autonomy means. Awareness of actual experience helps make concepts concrete. This is one area in which the media could help.

Understandings at the Provincial Level

- It has to be understood that regional autonomy is a process. Therefore, there are steps to carry it out: initiation (2001), installation (2002), consolidation (2003-2004), and stabilization in 2007. Within this process, society empowerment, which demands closer relations between the local governments and the people, is also taking place.
- Regional autonomy is decentralization. It means devolution of authorities from the central level to the regions. It diminishes hierarchical relations between the provinces and the regencies/municipalities. It causes coordination difficulties because regions tend to act on their own, so to some extent it could provoke various inter-regional problems.
- In the regional autonomy era, provinces are perceived as coordinators of inter-regional (regencies/municipalities) issues, like area developments and dispute resolution. In fact, there is intensive coordination between the provinces and the regencies/municipalities. There is recognition that regional autonomy becomes more meaningful when local governments make use of inter-regional networking. For instance, the concept of ecology should inter-regional or holistic, not partial.
- Since autonomy means devolution of authorities/power from central government to provinces, autonomy should be placed at the provincial level. Therefore, Article 4 of Law 22/1999 needs to be revised. Regencies/municipalities are a sub-system of the province, and provinces are a sub-system of the central government. Regional autonomy means the authority to self-manage within the context of local capacities and capabilities.
- Regional autonomy motivates people's participation. It provides freedom and wider authorities in creating local legal/law products, managing local finance, carrying out regional development for the sake of the people's welfare, building wider beneficial partnerships, and managing and developing spatial design. However, at the same time, regional autonomy is seen as more/additional "responsibilities" and authorities, which have consequences in terms of Financing, Personnel and Equipment/Supply (P3D).
- Despite many positive aspects of regional autonomy, there are problems. For instance, there are inconsistencies in the local and national regulations. Regional autonomy is "confusing" in the sense that it was initiated without clear and sufficient guidance in the form of regulations (PP) from the central government. There are various interpretations, which is one factor in overlapping laws and regulations. There remains a "tug of war" between the central government and local governments, since not all authorities are transferred. To some extent, local governments are considered to place more emphasis on authorities and less on obligations. These problems most likely have created resistance among several communal groups towards autonomy.

- B. Women's participation in the public decision-making process remains low and limited.** This issue plays out in many forms. For example, women play a smaller role than men in village community fora (*forum musyawarah kelurahan*). Similarly, their representation in bureaucracies remains low. Further, they do not yet have open, equal access to local resources.

Recommendations

- Local regulations on the local decision-making process should be developed to make the gender mainstreaming policy a reality.
 - There is a need for gender mainstreaming training on policy-making, especially for the local governments. This will enable them to develop effective regulations.
 - A people's participation law should provide for regulation of women's participation.
- C. There is a disconnection between the political system and regional autonomy.** The political system, in the framework of general election and political party laws, is perceived as a major issue affecting decentralization. The roles being performed by the executive and the political party are not very clear. Questions also arise as to whether political parties are performing

their roles as representatives. To be truly representative, they should begin to clarify who their constituents are. Given the absence of well-understood principles that govern roles and responsibilities, some observe that the dynamic between and among the executive, legislative bodies, and the political parties is one of “collusion” to enrich themselves. The decision making process is still dominated by elites who protect only their personal interests. Budgeting remains an area where unclear rules increase the risk of questions about the process. The accountability of the *DPRD* as an actor in legislating the budget is taken for granted. The Accountability Report would provide the objective basis for assessing performance and for instances where the *DPRD* ousts a *bupati* or *walikota*. If the *bupati* and vice *bupati* were elected directly, they would be more accountable to the people.

Recommendations

- Political laws should be amended to provide for the direct election of local heads of government and members of local parliaments.
- The regulations on local political parties should be amended. The amendments should ensure that there are adequate mechanisms for making political institutions (executive, legislative bodies, and political parties) perform the duties expected of them in a democracy.

D. The asset transfer process is unclear. There has been a formal transfer of assets, but in practice the transfer has yet to take effect. The status of many national government assets that are expected to be transferred to local government is not clear. There is little information available as to whether or not these have been sold. Some asset transfers are not validated by authentic documentation.

Recommendations

- There is a need for clear regulations that will govern settled management of asset transfer from the central government all the way to the village/*kelurahan* level.
- There is a need to document assets that have been transferred. This requires reconciling the central government’s claims regarding asset transfer with the records of what the local governments have actually received.

E. The policy on the general allocation grant/DAU process is unclear, and local understanding is limited .

There are issues associated with formulation, manipulation, transparency, and the way the process is implemented. There are complaints about the *DAU* formula and criteria used for the computation. Most of the problems stem from the lack of understanding and information about the *DAU* allocation on the part of local governments as well as the public. The lack of information and the existence of *DAU* “brokers” and manipulators are signs of lack of transparency in the allocation process.

These problems are compounded by inconsistent timing. The schedule for settlement of the *DAU* does not facilitate the drafting of the local budget (*RAPBD*). Presently, local governments have to plan the *RAPBD* without a clear sense of how much they will receive in fund transfers from the national government. Planning would improve if, in formulating their *RAPBD*, local governments

had sufficient information about their expected revenues, including the *DAU*. This is most important in poorer regions. In Jayapura, for example, local government was unable to predict its *DAU*. In fact, its *DAU* declined from Rp 148 billion to 125 billion. An unanticipated decrease has clear implications for local government operations and services.

Recommendations

- The process of formulation, settlement (establishment), and distribution of *DAU* must be open and timely, and it must directly involve the local governments.
- A mechanism is needed for consultation and public complaints on *DAU*.
- A mechanism is needed for consultation and public complaints on other revenue sharing funds (taxes and natural resources).

IV. THE NEXT IRDA

The 1st IRDA was conducted one year after the initiation of decentralization. Within this short period, there are positive indications of progress and deepening of decentralization in Indonesia. Continued tracking of progress is essential, and the IRDA design provides for periodic reviews. Inputs from the national public presentation and discussion of the 1st IRDA research results held February 28, 2002 and from the subsequent local public presentations suggest (1) going into more depth on some of the topics covered in the 1st IRDA and (2) incorporating and gathering data on additional topics.

The following summarizes these suggestions:

- **Following up on the themes from the 1st IRDA.** Many of the suggestions pointed to more in-depth analysis or more information within the five themes described in Section II.
 - **Finance.** The public is interested in knowing not only how much income is generated by the regions, but also what “sectors” are contributing to such income. The fund transfers like the *DAU* remain an important topic, especially in relation to the supposed existence of *DAU* “brokers.” Are there *DAU* brokers? Are there deals behind the allocation of *DAU*? In this connection, transfers to the village level and how the funds are used become equally important.
 - **Budget.** In addition to the interest in budgeting at the *kota* and *kabupaten* levels and the extent of transparency in those processes, there is an interest in budgeting at the village level.
 - **Participation.** Who are the participants in the fora? Are these mere formalities? Are they effective? The public wants to know about the quality of the interaction between citizens and the local government. There are questions as to whether policies eventually reflect people’s aspirations.
 - **Accountability.** There is interest in what the local governments and even the national government are doing to put in place audit systems that would make the local officials accountable for their actions and decisions.
 - **Intergovernmental Relations.** There is continuing interest in various potential dimensions and modalities of intergovernmental relations. For instance, the public asks about whether and how inter-provincial cooperation happens, and even about inter-village dynamics.
 - **Service Delivery.** This topic is at the core of decentralization. Thus, people want to know if public services improved, especially for the poor, as a result of regional autonomy. This raises the question of whether service delivery performance standards are in place. The people also ask whether the performance of local officials improved with regional autonomy. This in turn

raises the question of what the standards or criteria are for measuring success in the implementation of regional autonomy.

- **“New” topics suggested.** Many of the topics below were mentioned peripherally during the 1st IRDA. Participants now suggest that they be included as main topics in the next IRDA. Such topics include:
 - Role of the DPRD. The questions about the local legislators cut across various issues, from their knowledge and capability to perform their functions such as formulating *perdas* or the budget, to the quality of the legislation that they produce, to the corruption in which they are widely perceived to be engaged. The public wants to know if the *DPRD* is aware of the impact of the local regulations that they produce, especially the ones that are considered a burden to the citizens, or aware of those that contradict other existing laws.
 - Corruption. There is anxiety that corruption was also decentralized when regional autonomy was implemented. Thus, the public wants to know the impact of regional autonomy on corruption at the local level.
 - Environment. Environment is believed to be one sector that will be greatly affected by regional autonomy. There is interest in determining the commitment of local governments to protect the environment or how they would exploit their natural resources (forests, etc).
 - Reducing Poverty. This topic was related to service delivery. Interest is now high in whether local governments are improving their services with the specific interests of the poor in mind. Are local governments investing in poverty eradication measures? Are they more busy constructing new buildings? Do local governments see themselves as responsible for poverty alleviation?
 - Perspective from the Central Government. The central government’s views and efforts to implement regional autonomy are important in understanding the progress of regional autonomy.
 - Other topics that were suggested include gender and the role of the business sector in local governance.

The stage-setting phase of every IRDA cycle is where the agenda is defined. This process is guided by the desire to produce results that will be most useful to a wide range of stakeholders. Thus, all these suggestions will be included as initial inputs in this phase of the next IRDA.

ANNEX: The Local Research Partners for the 1st IRDA

This annex describes the local partners and identifies the sites in which they worked on the 1st IRDA.

- 1. Pusat Studi Wanita (Center for Women's Studies), Universitas Sumatera Utara (USU).** The Center for Women's Studies is established to provide a venue for USU faculty's research and advocacy on women's and gender issues. The research and advocacy address both policy and implementation.
Site: Kabupaten Deli Serdang, North Sumatra
- 2. Indonesian Partnership on Governance Initiatives (IPGI).** Established on January 1, 2001, IPGI is a non-profit and multi-stakeholder network engaged in participatory research, training and consulting, and advocacy and local policy advising. It is dedicated to increasing the partnership capacity of civil society groups to advance local good governance and sustainable development. IPGI consists of local government, academic researchers, and NGO workers, thus bridging the gap between the state, university, and civil society. IPGI begun with three offices: one national secretariat in Bandung and two offices in Solo and Dumai.
Site: Kabupaten Bandung and Kabupaten Indramayu, West Java
- 3. Center for Micro and Small Enterprise Dynamics (CEMSED) – Satya Wacana Christian University (UKSW).** CEMSED is a center within the university's Faculty of Economics at Salatiga. It was set up to take part in the development and empowerment of small and medium enterprises (SMEs) around Salatiga in particular, and Central Java Province in general. Its activities include: policy research on problems faced by SMEs; policy advocacy; training of trainers; business training for SMEs; conducting seminars, discussions, FGDs, and business meetings with SMEs; SME networking; and building up database on SMEs. CEMSED conducts these activities in cooperation with institutions such as local governments, NGOs, business associations, consultant associations, universities, financial institutions, and international donors.
Site: Kota Salatiga, Central Java
- 4. Yayasan Persemaian Cinta Kemanusiaan (PERCIK).** PERCIK is established to initiate efforts in disseminating care and concern, and also in upholding human rights and human dignity in a plural society. It has been actively engaged in research on various social and humanitarian issues. It also organizes trainings, assists in community empowerment, carries out advocacy on issues such as democracy and social justice, and provides assistance in conflict resolution.
Site: Kota Semarang, Central Java
- 5. Pusat Studi Kependudukan dan Kebijakan (PSKK) – Universitas Gadjah Mada (UGM).** The PSKK Center for Population and Policy Studies (CPPS) was established in 1973 to generate and disseminate knowledge about population, reproductive health, violence against women, international migration, small-scale business, urbanization, industrialization, social security, poverty, and public affairs. It is an interdisciplinary research center, with 34 research professionals representing various disciplines such as geography, economics, medical science, psychology, demography, sociology, anthropology, public policy, and management. It has conducted more than 200 research projects in various topics and has trained more than 1000 juniors researchers from various universities and government research units. It maintains a strong network with other research centers, both domestic and foreign, and has extensive contacts and relationships with national and international donor agencies.
Site: Kabupaten Bantul, Yogyakarta Special Region

6. **Perkumpulan Untuk Peningkatan Usaha Kecil (Association for the Advancement of Small Business) (PUPUK).** PUPUK is a private non-profit, independent, and non-political organization. It is committed to promoting more equitable and more decentralized economic growth. Its main objectives are to advance entrepreneurs in running their small businesses, assist them in achieving their goals, and fight for their interest. PUPUK does not seek to transform small enterprises into big ones, but to make them stronger, self-reliant, and sustainable. Its priority is to support small enterprises with demonstrated potential for growth and those that use production methods that conserve natural resources and promote environmental protection. PUPUK is also committed to take part in developing small business in the less developed areas, especially those far from the country's centers of economic activities.
Site: Kabupaten Sidoarjo, East Java
7. **PUSAT PENELITIAN Otonomi Daerah Universitas Udayana.** The Research Center for Decentralization and Regional Autonomy was initiated by a group of concerned faculty from a broad range of disciplines at the Universitas Udayana. It was established in September 1996 and became part of the university's Research Institute. It has been involved in many research activities in cooperation with a number of *kabupaten* and *kota* in Bali. It has also been active in capacity-building endeavors in Badung, Gianyar, and Denpasar. In addition, it has been involved in various activities in support of decentralization in Bali in cooperation with a number of provincial and central government agencies, other universities, and international agencies. Together with the university's Center for Women's Studies and the Center for Traditional Law Studies, it has conducted women's empowerment and traditional community empowerment programs.
Site: Kabupaten Gianyar, Bali
8. **Yayasan KOSLATA.** Koslata began in 1989 as a student study group. As it focused more on social issues and became more involved in social development, it changed its status and became Yayasan Koslata on May 21, 1992. Its activities include research on the impact of tourism, advocacy for migrant workers and farmers, public dialogue on human rights, conflict resolution, and civic education to promote democracy. It has received support from a variety of international donor agencies.
Site: Kabupaten Lombok Barat, West Nusa Tenggara
9. **Yayasan Madanika.** Yayasan Madanika is a non-profit organization in Pontianak, West Kalimantan, and was established on April 20, 1998. It focuses on developing civil society activities in Indonesia, especially in West Kalimantan. Toward this end, it engages in research and publication, training, and advocacy. It also facilitates community activities. Besides being involved in IRDA, Yayasan Madanika conducts other activities to document the response to regional autonomy implementation in West Kalimantan.
Site: Kota Pontianak, West Kalimantan.
10. **Institute of Management and Development Studies (LMPP) - Universitas Sam Ratulangi (UNSRAT).** Located in the Faculty of Economics, this institute was established to develop the faculty in the fields of research and training. Researchers are specialists in the field of economic development, especially in regional economic development and small business. The institute has conducted trainings in the fields of management and accounting in cooperation with other agencies, such as Konrad Adenauer Stiftung, Germany and JICA, Japan.
Site: Kabupaten Minahasa, North Sulawesi
11. **Lembaga Penelitian (Research Institute) - Universitas Cendrawasih, Papua.** This institute was established in 1983 to manage research activities at the university. As currently organized, it oversees several research centers focusing on a variety of issues, such as environment, population,

women's studies, communities, and culture. In addition to coordinating regular research activities of the lecturers, the Institute manages research in cooperation with other institutions and organizations, such as the Provincial Government, the Jayapura City Government, central government agencies, and several private companies.

Site: Kota Jayapura, Papua Province

- 12. Center of Economic and Social Studies (CESS).** CESS was founded on August 22nd 1994 by concerned individuals who are committed to economic and social development in Indonesia. It supports efforts to develop the welfare of the Indonesian people through research, dissemination, and other development cooperation activities. Staffed by qualified and dedicated researchers, CESS conducts research in agricultural development, institutional issues, human resource development, regional development, trade, and small and medium enterprises. It provides the results of its research activities as inputs to policy-making at both national and international levels. **Site:** Jakarta Capital Region